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Article

The job search of the older unemployed

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.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0^s	value rounded to 0 (zero) where a meaningful distinction exists between true zero and the value rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the *Statistics Act*
E	use with caution
F	too unreliable to be published

Highlights

In this issue

The job search of the older unemployed

- The unemployed age 55 to 64 spent an average of 13 hours per week looking for work. This is similar to the amount of time spent by those age 20 to 34. Moreover, the time spent looking for work does not appear to vary depending on the duration of the unemployment spell.

- There are differences in job-search methods between the younger and older unemployed. Older job seekers are less inclined to contact an employer directly and use the Internet, but they are more likely to have mainly looked at job ads.

- The older unemployed are not significantly less likely to look for work outside their community. The probability of the unemployed age 55 to 64 looking for work outside their community was 39%, compared with 43% for those 20 to 34.

- The older unemployed are more likely to say they would accept a job offer at a lower wage than in their previous job. Among the unemployed age 55 to 64, the probability of being prepared to accept such job offers was 81%, compared with 69% for those 20 to 34.

- Most of the older unemployed are pessimistic about their chances of finding an acceptable job in the next three months. Some 58% of the unemployed age 55 to 64 felt that their chances of finding such a job were "not very good," a proportion nearly twice that for the unemployed 20 to 34. The older unemployed who are more pessimistic about their chances of finding an acceptable job are the most likely to believe that better health or being younger would help them most in finding a job.

The job search of the older unemployed

André Bernard

The older unemployed face particular challenges. Even though they often have more work experience than their younger counterparts, on average they are less-educated (Statistics Canada 2011a) and less likely to have recently attended school or taken job-related training (Park 2012). They are also more likely to have industry-specific skills, which can be a disadvantage when looking for work, especially if they are from a declining sector (Expert Panel on Older Workers 2008). These factors, combined with possible age discrimination (Gunderson 2003), increase the difficulties of the older unemployed in their job search and their probability of experiencing long periods of unemployment (Dubé 2004; Dubé and Dionne 2005; OECD 2006).

Unemployment among older persons will likely become a more prominent issue with the aging of the population (Benítez-Silva 2002; Expert Panel on Older Workers 2008) and as growing numbers of Canadian workers postpone their retirement (Carrière and Galarneau 2011). The particular difficulties faced by the older unemployed led to the development of the Targeted Initiative for Older Workers (TIOW) in 2008. The TIOW is a federal-provincial cost-shared program created to provide "employment assistance services and employability improvement activities, such as skills upgrading and work experience, to assist the unemployed age 55 to 64 with their return to work" (HRSDC 2012).

There have been few recent studies on the job-search activities of the unemployed, and, in those studies, the specific situation of the older unemployed is seldom the main focus.[1] A better understanding of the job search of the older unemployed and what distinguishes it from that of their younger counterparts could therefore inform public policies targeting the older unemployed.

This study examines differences in job-search behaviours between the older and younger unemployed. The main data source is the Employment Insurance Coverage Survey (EICS) from 2006 to 2010 (see *Data sources and definitions*).

Following a brief profile of the older unemployed, this article looks at age-related differences in the number of hours spent looking for work and the methods used to find a job. It also examines two factors that may affect the probability of finding a job quickly, namely looking for work outside one's community and the willingness of the unemployed to accept job offers with a lower wage than the previous job. Finally, it examines the level of optimism of the older unemployed about their chances of finding an acceptable job quickly and what, in their view, would help them most in their job-search efforts.

Characteristics of the older unemployed

The characteristics of the older unemployed differ in several respects from those of their younger counterparts. For example, they are less likely to be recent immigrants (to have come to Canada within the past 10 years), to have a child present in the household and to live without a spouse (Table 1). Also, they are more likely to have been unemployed for longer than the younger unemployed—more than 1 in 3 of the unemployed age 55 to 64 had been unemployed for 24 weeks or more, twice the proportion for those 20 to 34.

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Table 1 Characteristics of unemployed workers

	Age			
	20 to 34 (ref.)	35 to 44	45 to 54	55 to 64
	%			
Education				
High school or less	37.7	31.0*	38.7	41.6
Postsecondary education below university degree	45.7	43.6	42.2	40.9
University degree	16.5	25.4*	19.1	17.4
Women	39.7	48.0*	41.5	41.7
Recent immigrants	12.7	14.8	7.7*	2.8*
Presence of at least one child in family	31.6	59.8*	31.4	6.6*
Status of spouse				
Spouse present and working	22.3	41.5*	42.8*	35.8*
Spouse present but not working	10.2	18.1*	19.0*	28.1*
No spouse	67.5	40.3*	38.2*	36.2*
Duration of unemployment spell				
Less than 8 weeks	55.6	42.7*	37.0*	35.5*
8 to less than 24 weeks	29.6	30.5	30.3	30.7
24 weeks or more	14.9	26.8*	32.8*	33.7*
Receiving employment insurance benefits	30.4	41.4*	44.3*	45.6*
Seeking part-time job	9.5	10.3	8.8	16.1*

* significant difference from the reference group (ref.) at the 5% level
Source: Statistics Canada, Employment Insurance Coverage Survey, 2006 to 2010.

less than those 35 to 54 and the same as the youngest group (20 to 34). Among the older unemployed, those 60 to 64 spent less time looking for work (10 hours per week; data not shown).

Also, the long-term unemployed spent almost the same number of hours looking for work as those who were unemployed for only a short period (Chart B). In particular, in the 55-to-64 age group, both persons unemployed for less than 8 weeks and those out of work for 24 weeks or more spent 13 hours in one week looking for work.[2]

The lack of a significant difference between the hours that the younger and older unemployed spent looking for work remained, even after differences in the characteristics of the two groups were taken into account by means

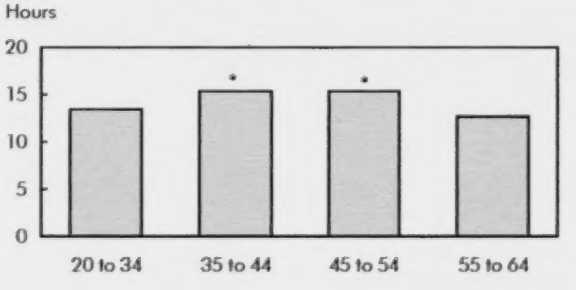
The older unemployed are also more likely to receive employment insurance (EI) benefits. Among those age 55 to 64, 46% were receiving EI benefits, while this was the case for 30% of their unemployed counterparts 20 to 34.

Finally, the older unemployed are more likely to be looking for part-time employment. Among the group age 55 to 64, 1 in 6 were looking for a part-time job, while this was the case for 1 in 10 of the unemployed 20 to 34.

The older unemployed spent an average of 13 hours per week looking for work

On average, the unemployed in the different age groups spent between 13 and 15 hours per week looking for work (Chart A). Those age 55 to 64 spent 13 hours per week looking for work, which is slightly

Chart A Number of hours per week spent looking for work



* significant difference from the 20-to-34 age group at the 5% level
Source: Statistics Canada, Employment Insurance Coverage Survey, 2006 to 2010.

Data sources and definitions

The main data source used in this study is the **Employment Insurance Coverage Survey (EICS)**, which is conducted with a random subsample of respondents to the **Labour Force Survey (LFS)**. It includes four collection periods per year: April–May, July–August, November–December, and January–February. The main purpose of the EICS is to provide "a meaningful picture of who does or does not have access to EI benefits among the jobless and those in a situation of underemployment" (Statistics Canada 2011b). The EICS contains a large amount of information on job-search characteristics, and since it focuses on a subsample of LFS respondents, a number of variables in the LFS are also available in the EICS.

One issue associated with using the EICS is its small sample size. On average, each collection period contains information on fewer than 3,000 respondents. For each year, the total number of observations is therefore less than 12,000, which includes the unemployed, persons not in the labour force and employed persons. The size of the sample is therefore reduced since this study only uses the unemployed. To increase the sample size, EICS files from 2006 to 2010 were combined.[3,4] Only the unemployed looking for work were retained. The analysis therefore excludes 'discouraged' workers, the unemployed waiting to be called back to work and those expecting to start a job at a later date.

The older unemployed are defined as those between 55 and 64 years of age, corresponding to the definition in the Targeted Initiative for Older Workers (TIOW). This age group is compared to the 20-to-34, 35-to-44 and 45-to-54 age groups. However, for clarity of analysis, the main focus here is on differences with the younger unemployed (age 20 to 34)—the main control group for this study.

Excluded from the analysis are the unemployed age 65 and over, those under 20 and students, so that the focus is on persons whose attachment to the labour market is likely the strongest. The unemployed who are receiving parental employment insurance benefits were also excluded from the analysis, however, this group accounted for less than 2% of the sample.

LFS respondents who are selected to participate in the EICS are called between one and two months after the LFS interview. Most of the EICS variables in this study relate to the same reference week used in the LFS. There may therefore be a difference of one to two months between the reference week and the time of the EICS interview with the respondent. The number of hours spent looking for work, the duration of the unemployment spell and the job search outside the community all relate to the LFS reference week. The more subjective variables, like respondents' assessment of their chances of finding an acceptable job within three months and what would help them most in finding a job, relate to the time of the EICS interview.

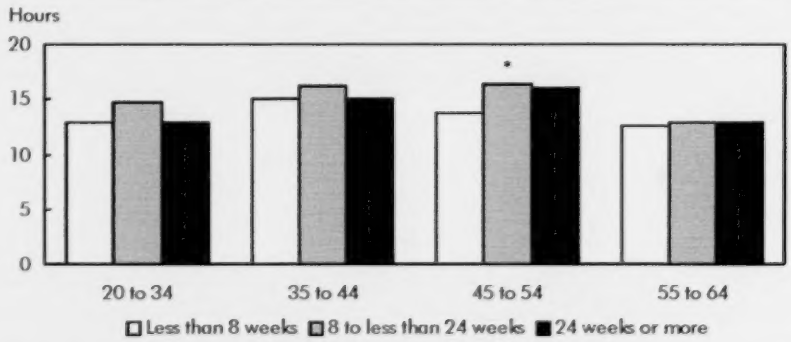
Due to the complex design of the EICS, coefficients of variation were calculated and hypothesis testing was performed using *bootstrap* weights.

of an ordinary least squares (OLS) regression (see *Regression models*). The regression analysis reveals significant correlations between some characteristics of the unemployed and the time spent looking for work. In general, those who spent more time looking for work are the more-educated, men, recent immigrants, employment insurance claimants and persons looking for full-time work (Table 2).[5]

The older unemployed more likely mainly to look at job ads

In the Employment Insurance Coverage Survey (EICS), unemployed persons were asked what

Chart B Number of hours per week spent looking for work by duration of unemployment



* significant difference from the group unemployed less than 8 weeks at the 5% level
Source: Statistics Canada, Employment Insurance Coverage Survey, 2006 to 2010.

Table 2 Factors associated with number of hours spent looking for work[1]

	Coefficient
Intercept	**2.314**
Age	
20 to 34 (ref.)	...
35 to 44	0.059
45 to 54	0.139*
55 to 64	-0.076
Education	
High school or less (ref.)	...
Postsecondary education below university degree	0.017
University degree	0.248*
Women	-0.120*
Recent immigrants	0.140*
Presence of at least one child in family	0.027
Status of spouse	
Spouse present and working	-0.014
Spouse present but not working	-0.055
No spouse (ref.)	...
Duration of unemployment spell	
Less than 8 weeks (ref.)	...
8 to less than 24 weeks	0.090*
24 weeks or more	0.055
Receiving employment insurance benefits	0.106*
Seeking part-time job	-0.472*

* significant difference from the reference group (ref.) at the 5% level

1. Results of ordinary least squares (OLS) regressions.

Note: The model's dependent variable is the logarithm of the number of hours spent looking for work (see *Regression models*).

Source: Statistics Canada, Employment Insurance Coverage Survey, 2006 to 2010.

Among the unemployed, 1 in 5 age 55 to 64 had mainly "looked at job ads" during the reference week, twice the proportion for those 20 to 34. This may reflect a more passive job-search approach among the older unemployed if looking at job ads is not accompanied by direct contact with the employer. However, this same result may also reflect a greater difficulty the older unemployed have finding job ads that are sufficiently promising to justify contacting the employer directly.

Older persons are generally less likely to use the Internet, and, when they do, they use it less intensively than younger persons (Middleton et al. 2010). This is reflected in the use of the Internet as a job-search tool. A significantly lower proportion (18%) of the unemployed age 55 to 64 reported using the Internet or a kiosk as their main job-search method. For the unemployed 20 to 34, the corresponding proportion was 23%.

The unemployed age 55 to 64 were proportionally neither more nor less likely than their younger counterparts to have mainly used a public or private employment agency. However, a relatively low proportion of the unemployed (8% of those age 55 to 64) mainly used this method. This small proportion is consistent with the downward trend observed for many years in the use of public employment agencies (see *Job-search methods according to the Labour Force Survey*).

their main job-search method had been during the reference week. While the number of hours spent looking for work does not vary by age, differences emerge as to the methods used. First, for all age groups, "contact[ing] employers directly" was the method most often cited (Table 3). However, while 49% of the unemployed age 20 to 34 mainly used this method, 42% of their counterparts 55 to 64 did so, a statistically significant difference. A similar result was noted in an earlier study (Grenon 1998).

Table 3 Main job-search method

	Age			
	20 to 34 (ref.)	35 to 44	45 to 54	55 to 64
	%			
Total	**100.0**	**100.0**	**100.0**	**100.0**
Employment agency (public or private)	8.0	10.2	11.2*	8.1
Contacted employers directly	48.8	40.6*	38.0*	42.1*
Looked at job ads	9.9	15.6*	14.9*	20.6*
Internet access or kiosk	23.1	22.1	19.6	17.6*
Other	10.3	11.6	16.4*	11.6

* significant difference from the reference group (ref.) at the 5% level

Source: Statistics Canada, Employment Insurance Coverage Survey, 2006 to 2010.

Job-search methods according to the Labour Force Survey

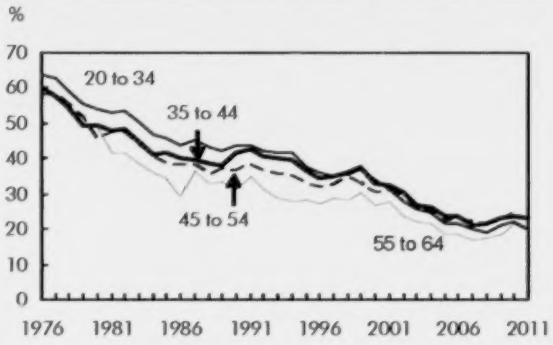
The Labour Force Survey (LFS) also contains questions on the job-search methods used by the unemployed. However, the responses to these questions are not comparable with those from the Employment Insurance Coverage Survey (EICS). First, job-search methods are not defined in the same way. For example, use of the Internet is identified in the EICS, but not in the LFS. Conversely, contacting friends or relatives is identified in the LFS but not in the EICS. In addition, LFS respondents can cite all of the methods that they have used, but EICS respondents must cite the main search method.

Nevertheless, the LFS data provide an information source that supplements the EICS data. In this section, LFS data on job-search methods are presented for 2011, the most recent full year available. Because the LFS sample is large, it is not necessary to combine data for several years.

Among the unemployed age 55 to 64, the three most commonly used job-search methods in 2011 were "looked at job ads" (55%), "contacted employer" (45%) and "placed or answered job ads" (28%) (Table 4). These were also the three methods most often used by the unemployed 20 to 34.

Also, 20% of the unemployed age 55 to 64 contacted a public employment agency in their job search, the same as for those 20 to 34. Use of public employment agencies has been declining almost continually for many years. Approximately 60% of the unemployed used this method in 1976, while only roughly 20% did so in 2011 (Chart C). Furthermore, the downward trend applies to all age groups, in comparable proportions. However, in the past few years, the use of these agencies has stabilized and has even risen slightly among the older unemployed. From 2007 to 2011, the percentage of the unemployed 55 to 64 using an employment agency went from 17% to 20%.

Chart C The unemployed who used a public employment agency



Source: Statistics Canada, Labour Force Survey, 1976 to 2011.

Since the LFS allows its respondents to identify more than one job-search method, it is possible to estimate the extent to which the older unemployed use several methods at once. According to one British study, the use of several job-search methods increases the chances of finding a job and the chances of finding a higher-paying job (Böheim and Taylor 2002). In Canada, the unemployed age 55 to 64 were just as likely as those 20 to 34 to use more than one method. The average unemployed person 55 to 64 had used 1.8 job-search methods in a given week, the same number as for the 20-to-34 age group.

Table 4 Job-search methods

	Age			
	20 to 34	35 to 44	45 to 54	55 to 64
			%	
Public employment agency	19.8	23.0	22.6	19.5
Private employment agency	7.2	9.0	8.6	7.6
Union	1.6	2.3	2.6	2.2
Contacted employer	50.3	44.6	44.6	44.7
Friends or relatives	15.7	16.9	18.1	17.7
Placed or answered job ads	33.9	33.0	31.2	28.4
Looked at job ads	53.6	56.9	58.2	55.3
Other	20.5	20.1	19.8	17.1
			number	
Average number of methods used by unemployed (excluding "other" methods)	1.8	1.9	1.9	1.8

Note: Totals exceed 100% since the unemployed may use more than one method.
Source: Statistics Canada, Labour Force Survey, 2011.

The older unemployed as likely as younger counterparts to look for work outside their community

By looking for work outside their community, the unemployed increase their chances of finding a suitable job. One geographic area may be experiencing economic problems while others have labour shortages. On average, the more mobile an unemployed person is, the shorter his or her unemployment period will be. This section looks at the probabilities of the younger and older unemployed finding work outside their community[6] using a probit regression model (see *Regression models*).

The older unemployed are just about as likely as their younger counterparts to look for work outside their community. The probability of the younger unemployed age 20 to 34 doing so was 43% (Table 5) for the 2006 to 2010 study period. The corresponding probability for their counterparts 55 to 64 was 39%, a difference that was not statistically significant.

Other factors are associated with the probabilities of looking for work outside the community. These probabilities are significantly higher for the more-educated and significantly lower for women and persons looking for part-time work.

The older unemployed more inclined to accept a wage decrease

The Employment Insurance Coverage Survey (EICS) asks the unemployed whether they would accept a job if the wages offered were 10% lower than the wages for the previous job.[7] This is not a direct measure of the reservation wage, since for that it would be necessary to know the wage for the previous job.[8] However, this measure is useful since it provides information about the potential behaviour of unemployed persons with regard to wage reductions. In this section, that probability is measured using a probit regression model (see *Regression models*).

Regression models

Three regression models were used in this study. The first is an ordinary least squares model in which the dependent variable is the logarithm of the number of hours spent each week looking for work. The second is a probit regression model measuring the probability that the unemployed looked for work outside their community during the reference week. The third is a probit regression model measuring the probability of the unemployed who were previously employed reporting that they would accept a job if the wage offered were 10% less than that of their previous job.

In all three cases, the independent variables are

- age group, where the categories are ages 20 to 34, 35 to 44, 45 to 54, and 55 to 64
- education, where the categories are high school education or less, postsecondary education below university degree, and university degree
- sex
- immigrant status, where an immigrant is defined as a person who has had permanent resident status for 10 years or less
- spouse's status, where the categories are spouse is present and working, spouse is present but not working, and spouse is not present (or the respondent has no spouse)
- presence of at least one child in the family, where the child must be under 18 years of age
- duration of unemployment spell, where the categories are less than 8 weeks of unemployment, from 8 weeks to less than 24 weeks, and 24 weeks or more—in each case referring to the incomplete duration of the unemployment spell
- a variable to indicate whether the respondent received, during the reference week, regular employment insurance benefits
- a variable indicating whether the job being sought is part-time
- region of residence, where the categories are the Atlantic provinces, Quebec, Ontario, the Prairies, and British Columbia
- month of collection, namely April–May, July–August, November–December, and January–February
- year of collection, namely 2006, 2007, 2008, 2009 and 2010—the year of collection was added to take the economic cycle into account.

For the probit regressions, the reference probabilities are computed for 20-to-34-year-olds and at mean values for the sample as a whole for all other variables. This reference group was chosen to facilitate comparisons between the older and younger unemployed. The marginal effects are expressed as differences in percentage points in relation to the reference probability.

From 2006 to 2010, a large majority of the unemployed stated that they would accept a job offer if the wage offered were 10% lower than that of their previous job (Table 5). For the older unemployed, this proportion was even higher. For the unemployed age 20 to 34, the probability of being willing to accept such job offers was 69%. For those 55 to 64, this proportion was 81%, a statistically significant difference of 12 percentage points.

On average, younger workers have lower hourly earnings than older workers (Luong and Hébert 2009). The larger proportion of the unemployed age 55 to 64 who were willing to accept a lower wage may therefore reflect in part the higher previous earnings in relation to those 20 to 34 rather than a lower reservation wage. Furthermore, the older unemployed often have the option of making a transition to retirement. They may be eligible for retirement benefits even before age 65, which may influence them to lower their reservation wage. In addition, studies have shown that for older workers, being laid off significantly increased their probability of transitioning toward retirement (Chan and Stevens 2002; Neill and Schirle 2009). Moreover, the older unemployed are likely to have accumulated more assets than the younger unemployed, which would result in a lower reservation wage. At the same time, the expenses of older persons are often lower than those of younger persons since they are less likely to have a mortgage and dependent children living at home. However, it is also possible that this greater probability of being willing to accept lower wages reflects a more difficult job market for the older unemployed.

Persons who have been unemployed for a longer time are more likely to be willing to accept lower wages than are those who have become unemployed recently. More precisely, persons who have been unemployed for 24 weeks or more are more likely than those unemployed for less than 8 weeks to be willing to accept a 10% reduction in wages compared with what they were earning in their previous job (a 9 percentage-point gap).

Table 5 Probabilities of having looked for work outside the community and probabilities of accepting a wage reduction of 10% compared with previous job

	Looked for work outside community	Would accept 10% wage reduction compared with previous job
	reference probability (%)	
Probability	**43.4**	**68.5**
	marginal effect (% points)	
Age		
20 to 34 (ref.)	...	...
35 to 44	1.2	7.4*
45 to 54	1.9	10.0*
55 to 64	-4.9	12.3*
Education		
High school or less (ref.)	...	...
Postsecondary education below university degree	6.2*	2.2
University degree	12.2*	3.8
Women	-10.2*	-3.7
Recent immigrants	-3.7	-12.6*
Presence of at least one child in family	2.7	-3.1
Status of spouse		
Spouse present and working	-0.5	6.8*
Spouse present but not working	4.3	8.5*
No spouse (ref.)	...	...
Duration of unemployment spell		
Less than 8 weeks (ref.)	...	...
8 to less than 24 weeks	-1.8	5.5*
24 weeks or more	1.6	9.3*
Receiving employment insurance benefits	5.1*	2.4
Seeking part-time job	-16.8*	-3.7

* significant difference from the reference group (ref.) at the 5% level
Note: Reference probabilities are estimated for the unemployed age 20 to 34, and at average values for overall sample for all other variables.
Source: Statistics Canada, Employment Insurance Coverage Survey, 2006 to 2010.

Receiving employment insurance benefits did not have a major effect on the probability of accepting a wage reduction. There was no significant difference in the probability of being willing to accept a 10% lower wage than in the previous job between the unemployed who received employment insurance benefits and those who did not.

In contrast, having a spouse was a significant factor. Unemployed persons living in a couple relationship were significantly more likely to be willing to accept a wage reduction than their spouseless counterparts. Recent immigrants, for their part, were significantly less likely to be willing to accept a wage reduction, which likely largely reflects their lower earnings compared to the Canadian-born (Picot 2008).

The older unemployed more pessimistic about their chances of finding a job

Most of the older unemployed were rather pessimistic about their chances of finding a job soon, while, in contrast, most of the younger unemployed were more optimistic. The EICS asked the unemployed whether they felt that their chances of finding an acceptable job in the next three months were "very good," "good" or "not very good."

Only 30% of the unemployed age 20 to 34 felt that their chances were "not very good," compared to 58% of those 55 to 64 (Table 6). Conversely, while approximately 1 in 5 of the unemployed age 20 to 34 (22%) felt that their chances of finding an acceptable job in the next three months were "very good," just over 1 in 10 of the unemployed age 55 to 64 (11%) felt the same way.

Table 6 In the next three months, what are your chances of finding an acceptable job?

	Age			
	20 to 34 (ref.)	35 to 44	45 to 54	55 to 64
	%			
Total	**100.0**	**100.0**	**100.0**	**100.0**
Not very good	30.3	38.2*	42.1*	58.1*
Good	47.9	43.4	41.7*	30.5*
Very good	21.8	18.5	16.2*	11.4*

* significant difference from the reference group (ref.) at the 5% level
Source: Statistics Canada, Employment Insurance Coverage Survey, 2006 to 2010.

This greater pessimism among the older unemployed remained, even after controls were in place for differences in their characteristics, including education level and length of unemployment spell. The results of an ordered probit regression model showed a positive and significant association between age and the probability of assessing one's chances of finding a job quickly as "not very good" (data not shown).[9] A regression analysis also revealed that, overall, immigrants and the longer-term unemployed were more likely to be pessimistic, while the more-educated were more likely to express optimism.

Health status and age major obstacles for older workers

When unemployed respondents assessed their chances of finding an acceptable job in the next three months as "not very good," the EICS asked what would help them most in finding one. Among the unemployed age 55 to 64, 25% cited having "better health" or being "younger,"[10] which was the most frequent response category for the unemployed in this age group. In comparison, only 2% of the unemployed 20 to 34 responded that better health or being of a different age would help them most in finding a job (Table 7).

The next two most frequently cited responses (19%) given by the unemployed age 55 to 64 were help in searching for work or starting a business[11] and skills training. These proportions were similar to those for the unemployed age 20 to 34.

Less than 1 in 6 of the unemployed age 55 to 64 responded that what would help them most in finding a job would be if more jobs were available; this is significantly higher than the proportion for those age 20 to 34, but similar to the proportions for those 35 to 44 and 45 to 54.

Table 7 What would help you most to find a job?

	Age			
	20 to 34 (ref.)	35 to 44	45 to 54	55 to 64
	%			
Total	**100.0**	**100.0**	**100.0**	**100.0**
Skills training	14.0	18.4	24.0*	19.2
More education (academic)	18.3	12.6*	10.4*	3.4*
Work experience	10.1	5.0*	2.8*	1.8*
Help in searching for work or starting a business	22.3	22.6	22.3	18.8
Moving to another city/region	4.2	4.4	6.6	4.1
More jobs/work available	9.6	16.8*	15.6*	16.1*
Better health/younger/older	2.3	1.1	7.5*	25.3*
Other	19.4	19.2	10.9*	11.4*

* significant difference from the reference group (ref.) at the 5% level
Source: Statistics Canada, Employment Insurance Coverage Survey, 2006 to 2010.

While the older unemployed were more pessimistic than younger ones about their chances of finding a job, most did not feel that there was a lack of available jobs. On the other hand, 25% of them felt that better health or being younger would help most in finding a job. Many were also interested in acquiring new skills and getting assistance in finding a job.

Conclusion

In this study, the job-search behaviour of the older unemployed was compared with that of their younger counterparts using the Employment Insurance Coverage Survey (EICS) from 2006 to 2010.

The study found that the unemployed age 55 to 64 spent 13 hours per week looking for work, similar to the time spent by those 20 to 34. Furthermore, the time spent looking for work did not vary depending on the duration of the unemployment spell—people unemployed for 24 weeks or more spent as many hours looking for work as those unemployed for less than 8 weeks.

On the other hand, the job-search methods of the younger and older unemployed were not the same. The older unemployed were less inclined to contact an employer directly or use the Internet, but they were more likely to have mainly looked at job ads. Only a small proportion of the unemployed, regardless of their age group, mainly used a private or public employment agency.

Older workers were not significantly less likely to look for work outside their community. That probability for the unemployed age 55 to 64 was 39%, compared with 43% for those 20 to 34.

However, the older unemployed were more likely to say they would accept a job offer with a wage that was lower than in their previous job. Among those age 55 to 64, the probability of being willing to accept such a job offer was 81%, compared with 69% for those 20 to 34. This result may reflect higher previous earnings for the older unemployed, the possibility of transitioning to retirement, more assets accumulated and lower expenses compared with younger persons. However, it may also reflect a more difficult job market for the older unemployed.

Finally, most of the older unemployed were pessimistic about their chances of finding an acceptable job in the next three months. Indeed, 58% of the unemployed age 55 to 64 felt that their chances of finding such a job were "not very good," which was nearly twice the proportion for the unemployed 20 to 34. The older unemployed who were pessimistic about their chances of finding an acceptable job were more likely to feel that their health and age were the main obstacles to their job search.

A comparison with earlier studies showed that while older workers tend to work fewer hours than younger ones (Marshall and Ferrao 2007), the older unemployed spend as many hours as other unemployed persons looking for work. This comparable job-search effort is especially noteworthy since the majority of the older unemployed were pessimistic about their chances of finding an acceptable job soon. Also, while older persons were previously found to be less mobile than

younger ones (Dion and Coulombe 2008), they were no less likely than younger persons to look for work outside their community. Despite their more advanced age, the older unemployed were as interested as younger ones in acquiring new skills and getting job-search assistance.

The study also had an interesting finding with respect to employment insurance. Regardless of the age group, there was not a significant link between receiving employment insurance benefits and being willing to accept an offer involving a wage reduction, nor was receiving employment insurance benefits associated with a lower probability of looking for work outside one's community. These results merit further investigation.

Perspectives

Notes

1. A Canadian study, which did not include an age dimension, showed that the largest proportion of jobs had been obtained by directly contacting an employer (Grenon 1999). However, an earlier study found that the older unemployed were less likely than others to use this method (Grenon 1998). In the United States, a study on a sample of unemployment insurance claimants in New Jersey in 2009 and 2010 showed that, regardless of the age group, the number of hours spent each week looking for a job quickly fell off as the unemployment period lengthened (Krueger and Mueller 2011). The same study also found that the reservation wage tended to decline the longer the period of unemployment for the older unemployed, whereas it remained stable for their younger counterparts.
2. These results are different from those obtained in the United States. A longitudinal study on a sample of American unemployed persons found that the time spent looking for work declined considerably after only a few weeks of unemployment (Krueger and Mueller 2011).
3. There were low unemployment rates in 2006 and 2007 compared with previous years, while from 2008 to 2010 there was a period of economic slowdown followed by some recovery in employment. See LaRochelle-Côté and Gilmore (2009) for more information on the slowdown in the labour market in 2008 and 2009.
4. In the EICS, the proportion of the unemployed by age group did not change significantly from year to year during the study period. On average, 36% of the sample consisted of the unemployed age 20 to 34, 24% were 35 to 44, 24% were 45 to 54, and 16% were 55 to 64.
5. The positive relationship between receiving employment insurance (EI) benefits and time spent looking for work is not necessarily causal. It is possible that the presence of EI benefits largely reflects the characteristics of the last job, which in turn may reflect a stronger attachment to the labour market.
6. In the EICS, the community is considered to be the area within a 60 km radius of the respondent's place of residence.
7. The EICS asks a series of questions on this subject, namely whether the unemployed respondent would accept a job offer if the wages were 75%, 85%, 90%, 95% and 100% of the wages for their previous job. The sample here is limited to the unemployed who have previously worked.
8. The reservation wage is the lowest wage at which an unemployed person would accept a paid job. An unemployed person whose reservation wage is lower should theoretically spend less time unemployed (Cahuc and Zylberberg 2004).
9. An ordered probit regression can be used to model the probabilities that the unemployed will assess their chances of finding a job as "not very good," "good" or "very good." The same independent variables were used as for the other regressions performed for this article (see *Regression models*).
10. The exact wording of the category is "better health/younger/older."
11. This category includes participation in job-search clubs, assistance in writing a résumé, entrepreneurship training, contacts and networking.

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